



SPECTRUM CONSTRUCTORS, INC.

February 8, 1995

K. Hovnanian Inc.
P.O. Box 1191
65 Jackson Drive
Cranford, NJ 07016-1191

Attn: Mr. Steve Sky/Project Director
&
Mark Vanselous/Project Director

Ref: Society Hill at Jersey City
Society Hill at Jersey City IIB
Society Hill at University Heights

Gentlemen:

This is to confirm my two conversations with Steve Sky that the above referenced projects shall be completed in full conformity with our contractual agreements with K. Hovnanian Companies.

Although we are phasing out our Spectrum operations, this will be done in an orderly manner with no impact to completion work on existing contracts. Also, please be advised that Bob Sierbinski will remain as Project Manager to oversee the balance of our work under these contracts.

All material suppliers and subcontractors shall be paid in full, all punchlists shall be fully completed and all required final contract documentation shall be submitted as required.

We appreciate the opportunity to work for your fine company and if you require any further information and/or assurances, please do not hesitate to contact me immediately.

Sincerely,

Robert V. Gamba
President

kam
cc R. Sierbinski
J. Marchegiano

KHOV002901